

AMENDED IN SENATE APRIL 27, 2000

**SENATE BILL**

**No. 1471**

**Introduced by Senator Schiff**

February 10, 2000

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An act to add Chapter 3.5 (commencing with Section 3040) to Title 14 of Part 4 of Division 3 of the Civil Code, relating to health care liens.

LEGISLATIVE COUNSEL'S DIGEST

SB 1471, as amended, Schiff. Health care liens.

Existing law ~~regulates health care contracts administered by the Department of Insurance or issued pursuant to~~ provides for the regulation of health care service plan contracts ~~subject to the Knox-Keene Health Care Service Plan Act of 1975 by the Department of Managed Care and for the regulation of health insurance policies issued by disability insurers regulated by the Department of Insurance,~~ as specified.

This bill would provide that no lien *asserted by a licensee, as defined, of the Department of Managed Care or the Department of Insurance* for the recovery of money paid or payable to *or on behalf of, or for the provision of service to,* an enrollee or insured for medical services provided under a health care service plan *contract or a disability insurance agreement policy,* ~~which lien is authorized pursuant to a contract for health care administered by the Department of Insurance or issued pursuant to the Knox-Keene Health Care Service Plan Act,~~ may exceed the amount paid *by the licensee* pursuant to that contract *or policy* to the treating medical

provider. *These provisions would not apply to liens made against workers' compensation claims.*

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 3.5 (commencing with Section 3040) is added to Title 14 of Part 4 of Division 3 of the Civil Code, to read:

CHAPTER 3.5. HEALTH CARE LIENS

~~3040. No lien for the recovery of money paid or payable to an enrollee or insured for medical services provided under a health care service plan or insurance agreement, which lien is authorized pursuant to a contract for health care administered by the Department of Insurance or issued pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code), may exceed the amount paid pursuant to that contract to the treating medical provider.~~

3040. No lien asserted by a licensee of the Department of Managed Care or the Department of Insurance for the recovery of money paid or payable to or on behalf of, or for the provision of service to, an enrollee or insured for medical services provided under a health care service plan contract or a disability insurance policy, when the right of the licensee to assert that lien is granted in a plan contract subject to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) or a disability insurance policy subject to the Insurance Code, may exceed the amount actually paid by the licensee pursuant to that contract or policy to any treating medical provider. For purposes of this section, a "licensee" shall include a medical group or independent practice

1 association, or group contracting with the licensee to  
2 provide medical services under the health care service  
3 plan contract or insurance contract. This section shall not  
4 apply to liens made against workers' compensation  
5 claims.

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